



N A S A E m p l o y e e s B e n e f i t A s s o c i a t i o n

Group Life and Travel Accident Life Insurance

John H. Glenn Research Center

Lewis Field

Cleveland, Ohio 44135

To NEBA Travel Accident Members:

June 17, 2002

In my June 10 memorandum, I regrettably had to inform you that the NEBA Travel Accident insurance plan will end on June 29, 2002. That change was driven by a significant increase in rates coupled with a reduction in coverage. The NEBA Board of Directors has decided to modify the Accidental Death and Dismemberment (AD&D) clause of the Basic life insurance plan to help mitigate the loss of travel insurance. The current AD&D provision for an accidental death is double the amount of Basic life insurance. The Board's modification will triple the amount of Basic/Dependent coverage. That means that anyone with NEBA Basic life insurance will automatically be covered by the new AD&D provision and their beneficiary would receive three times the face amount of their Basic/Dependent coverage, should they die from an accident. The increase in AD&D coverage is being provided by the Board with no increase in premiums.

If you are a Travel plan member, but not a member of the Basic/Dependent Plan, you are eligible to join the Plan without evidence of insurability. To take advantage of this offer you must complete an application between June 30 and July 30, 2002. Contact your NEBA chapter officer, Terry Ross at 3-8550 to apply. When your Basic/Dependent coverage becomes effective, you will automatically be covered by the new AD&D provision. Please note that all Basic Plan members will be receiving a refund of premium this September (equivalent to 12 pay periods) for the fifth consecutive year.

The Board was forced to make a very unpleasant decision about Travel insurance and we apologize for any loss of coverage that you may have experienced. It was unavoidable. However, we are pleased to offer a different method of obtaining a similar level of coverage to our Basic/Dependent members at no additional cost (in fact at a savings to members of the Travel Accident Plan) and to invite those who are not Basic members to join the Plan without evidence of insurability.

Finally, starting with the second pay period in July, payroll deductions will no longer be made for your Travel Accident insurance.

For the entire Board,

Robert E. Fails, Chairman